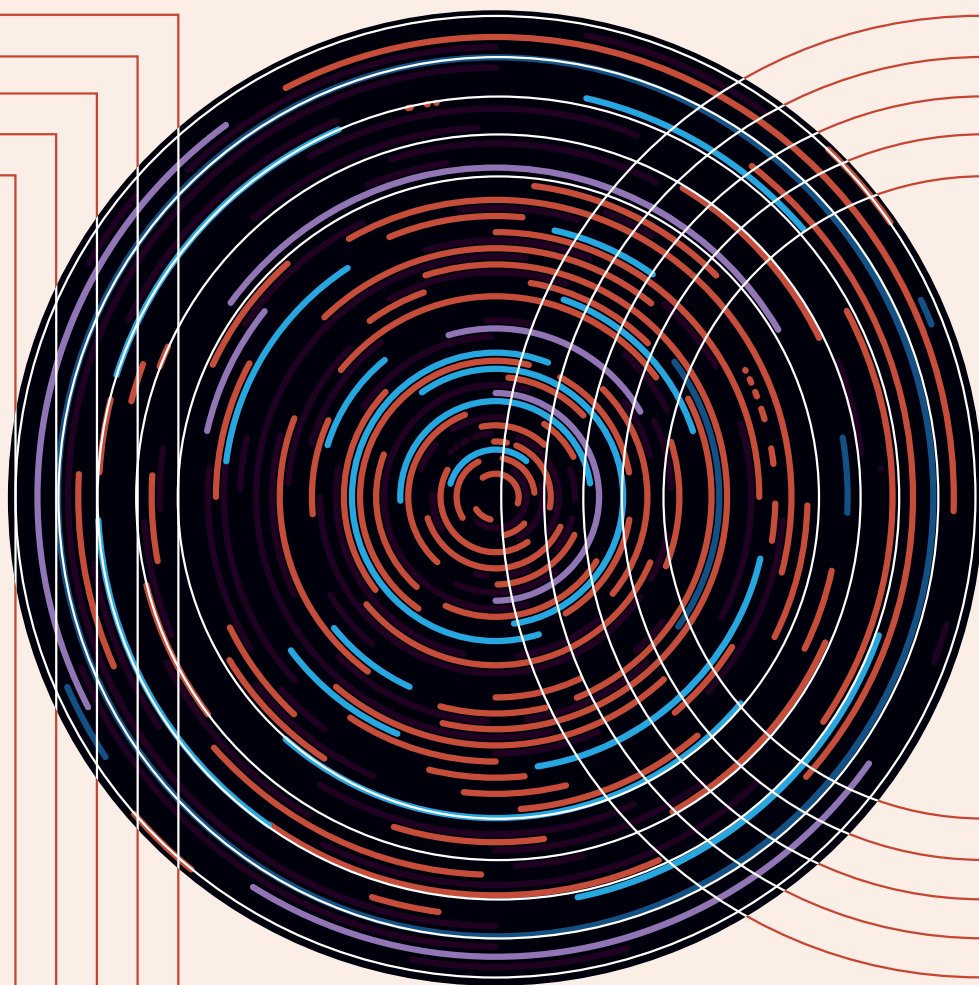




RiskTech
100 2023

**Vendor Analysis:
Beacon Platform**





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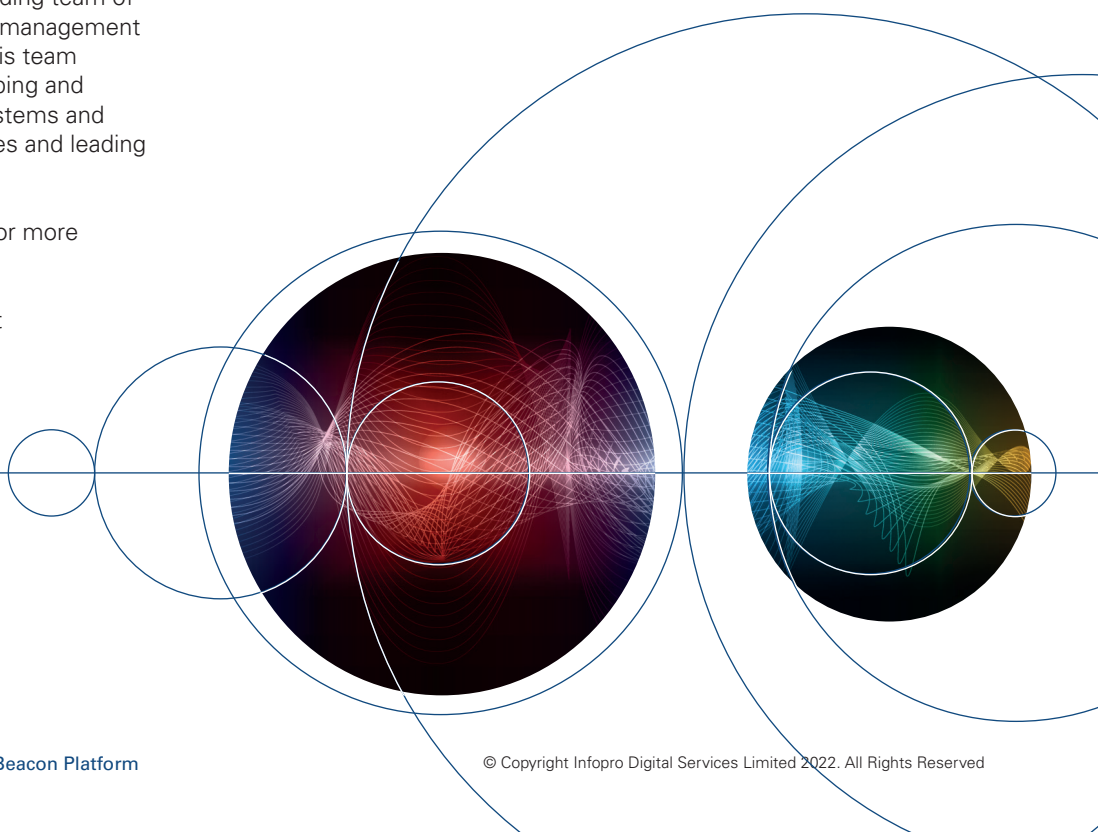


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1. Introduction

This report provides an independent evaluation and description of the ranking given to Beacon Platform in Chartis' RiskTech100® 2023 report. It contains:

- A vendor and solution profile for Beacon Platform.
- The ranking and scores for Beacon Platform in each assessment category, with supporting explanation.

Chartis' RiskTech100® report is globally acknowledged as the most comprehensive independent study of the world's major players in risk and compliance technology.

Chartis is the leading provider of research and analysis on the global market for risk technology.

In RiskTech100® 2023, Beacon Platform rose 10 places in the ranking to **24**, with an overall score of **63.75%**.

2. Beacon Platform: Vendor profile

The company

Beacon Platform is a cloud-native, enterprise-scale, integrated development platform enabling financial services firms to create and deploy their own solutions. Beacon gives developers the flexibility to experiment, streamline and scale cross-asset trading, analytics and risk tools with full access to source code.

Beacon was founded in 2014 and is headquartered in New York. The company also has offices in London and Tokyo and has about 250 full-time employees.

The offerings

Beacon Core

Beacon Core is an end-to-end platform that offers developers a variety of functions, tools and environments, including enterprise-scale elastic cloud infrastructure, a modern data warehouse, collaborative tools, automation services and a controlled production environment. Its key components include data visualization, a Gromit dependency graph and an integrated object database and software development lifecycle. Beacon's web-based integrated development environment is built with Visual Studio Code, enabling users to develop, release and customize analytics tools and applications.

The offering also provides cloud-agnostic infrastructure management capabilities that include a batch job scheduler, data management functionality, disaster recovery, a compute grid scheduler, and security and permissions. Customers can run on their choice of cloud environment to avoid being locked-in to one specific provider.

Finally, Beacon's Glint web-app development framework abstracts common web code and allows developers to easily present data and analytics in full-stack, interactive web applications without being UI experts. Together, these give quants and developers the tools and scalability they need for in-house customization and integration with existing systems, data and models.

Beacon Front Office Suite

Beacon Front Office Suite is a cross-asset trading and risk management system built on Beacon Core. It allows users to integrate in-house analytics and build proprietary extensions, and provides multiple end-user applications and an underlying suite of financial data models. Its applications include a quoting tool, confirmations dashboard, charting and graphing and a trade blotter.

The functionality offered by Front Office Suite includes pre-trade pricing and analytics, strategy backtesting, position management, trade lifecycle management, risk management and reporting, scenario analysis, curve and volatility surface marking, an Investment Book of Record (IBOR), and internal communications tools.

Asset-class coverage, meanwhile, includes equities, fixed income, credit, commodities, interest rates, foreign exchange, securitized products, hybrids and structured products, and alternatives. Customers can readily extend and add their own financial instruments, thanks to the company's transparent source code license.

Beacon Security Model

Beacon Security Model's protection for customers comprises two main elements: a secure software development lifecycle and a shared-responsibility model for cloud infrastructure and operations. Beacon's security offering includes layered containerized architecture, a reduced footprint for all containers, version-controlled configuration templates, isolated customer data and processing, and the rapid and safe rebuild of workloads.

3. Beacon Platform: Ranking

Table 1 details the rankings for Beacon Platform for each of Chartis' RiskTech100® assessment categories, with supporting explanations and key highlights from our analysis.

(Note that absolute rankings are shown in each category, and that Beacon Platform is ranked against the other 99 vendors in the RiskTech100®. The vendor's scores in each category are also given.)

Table 1: Rankings for Beacon Platform by assessment category

Assessment category	Ranking for Beacon Platform	Explanation
Functionality	49 (67.50%)	<p>Depth of functionality. Beacon's technology demonstrates excellent depth of functionality, enabling developers to adapt solutions for a wide array of needs and risks. Front Office Suite also includes a powerful set of specialized financial applications for risk managers.</p> <p>Breadth of functionality. Beacon's integrated development environment and cloud infrastructure provide functionality in areas including risk, analytics, DevOps, quant, trading and the front office. The Beacon platform is highly flexible, allowing developers and users to extend its functionality to incorporate proprietary models and meet multiple internal requirements.</p>
Core technology	15 (68.50%)	<p>Beacon offers two main products: Beacon Core, an end-to-end development platform, and Beacon Front Office Suite, a cross-asset trading and risk management system.</p> <p>Beacon's 'buy and build' model offers clients an integrated development environment in which they can rapidly develop and deploy tools for a variety of risk functions. Source code is also provided so clients can read, extend and adapt it to their own needs. The platform sits on an elastic-compute cloud, further enhancing the flexibility and scalability of Beacon's solutions.</p>
Strategy	65 (56.00%)	<p>Beacon's co-founders are industry veterans with decades of experience, bringing strong vision and technical expertise to the company. Beacon has adopted a dual approach to its growth strategy:</p> <p>Expanded business with existing clients. By offering full transparency, Beacon has been able to establish trust with its existing clients, whom it gives full access to source code. This helps to encourage users to move more of their risk infrastructure onto the Beacon platform. In addition to its Core product, Beacon has also developed Front Office Suite, a set of flagship applications for pre- and post-trade analytics.</p> <p>New geographical markets. Most of Beacon's clients are based in North America, but the company is investing substantially in growth efforts in Europe, the Middle East and Africa (EMEA). Notably, it is expanding its existing client base in Germany, Japan, Australia and the UK, having expanded its sales and engineering teams in London.</p>

Assessment category	Ranking for Beacon Platform	Explanation
Customer satisfaction	17 (64.00%)	Beacon works closely with its customers to help them develop, deploy and scale their technology. The company recently created a new role of Chief Customer Officer so it could focus additional resources on nurturing and developing its growing customer base. Given that security, transparency and flexibility are key tenets of the company's technology, it should be able to expand its customer base further.
Market presence	47 (59.50%)	<p>With a solutions presence in areas such as trading, commodities, risk management and analytics, Beacon enables clients to build their own solutions in-house, with the option to extend into other functional areas.</p> <p>Geographically, Beacon has a strong presence in the US, Canada and the UK, but with room to expand into other regions, specifically EMEA.</p>
Innovation	13 (67.00%)	<p>While some of its competitors offer partial solutions that require additional vendors or internal development, Beacon's innovative platform provides an integrated development environment. This reduces time-to-market for risk tools and enables users to develop apps in-house and integrate their internal libraries. With the solutions' elastic-compute cloud infrastructure, clients only pay for what they use, reducing infrastructure costs, cutting run times and simplifying or eliminating software integration and upgrade processes.</p> <p>Some of Beacon's tools showcase its innovation well – notably the Glint app-development framework, the Gromit dependency graph, and the firm's Security Model framework.</p>

Source: Chartis Research

4. Appendix A: Research methodology

Chartis' RiskTech100® report is the most comprehensive study of its kind, and is a core element of our annual research cycle. The rankings in the report reflect our analysts' expert opinions, along with research into market trends, participants, expenditure patterns and best practices. We also validate the analysis through several phases of independent verification (see Table 2).

So that we can continue to assess the market and its key players accurately, we are developing and refining our methodology as the risk technology market evolves. Any changes will be reflected in subsequent reports.

Table 2: RiskTech100® research methodology

• Performed a comprehensive market sweep of leading market participants in 40 risk categories.
• Completed 1,500 surveys and interviews with risk technology buyers and end users.
• Collected data on organizations' expenditure priorities and vendor preferences.
• Collated 400 completed questionnaires, briefing documents and product specifications from risk technology vendors.
• Conducted and attended 200 interviews, product demonstrations and strategy briefings with risk technology vendors.
• Conducted 150 interviews with risk technology buyers to validate our survey findings.
• Conducted more than 50 interviews with independent consultants and system integrators specializing in risk technology.
• Applied RiskTech100® assessment criteria to filter the top 150 vendors.
• Reviewed data with 30 independent consultants and 110 risk technology buyers.
• Interviewed 60 ex-employees of the top 50 risk technology vendors to validate our findings.
• Undertook final data validation with 100 vendors, receiving 80 completed questionnaires and carrying out more than 100 vendor briefings.
• Completed 100+ independent reference checks to validate vendor claims and client satisfaction levels.
• Developed the final top 100 rankings, identified the category winners and finalized the report.

Source: Chartis Research

5. Appendix B: How to read the RiskTech100® rankings

The RiskTech100® assessment criteria comprise six categories:

- Functionality.
- Core technology.
- Strategy.
- Customer satisfaction.
- Market presence.
- Innovation.

Within each category, we have included a number of sub-categories to encompass the range and scope of current risk technology solutions (see Table 3).

Table 3: RiskTech100® assessment criteria

Functionality	<ul style="list-style-type: none"> • Depth of functionality. The level of sophistication and detailed features in the software product. Aspects assessed include: innovative functionality, practical relevance of features, user-friendliness, flexibility and embedded intellectual property. High scores are given to firms that achieved an appropriate balance between sophistication and user-friendliness. In addition, functionality that links risk to performance is given a positive score. • Breadth of functionality. The spectrum of risks covered as part of an enterprise risk management solution. The risk spectrum under consideration includes treasury risk management, trading risk, market risk, credit risk, operational risk, energy risk, business/strategic risk, actuarial risk, asset-liability risk, financial crime and compliance. Functionality within and integration between front-office (customer-facing) and middle-/back-office (compliance, supervisory and governance) risk management systems are also considered. High scores are given to firms achieving (or approaching) integrated risk management – breaking the silos between different risk management functions.
Core technology	<p>Chartis evaluates a vendor's overall technology stack by benchmarking it against latest best practice. Key considerations this year have been the use of cloud and Big Data technologies, as well as the agility and openness of the overall technology architecture.</p> <ul style="list-style-type: none"> • Data management. The ability of enterprise risk management systems to interact with other systems and handle large volumes of data. Data quality is often cited as a critical success factor, and ease of data access, data integration, data storage and data movement capabilities are all important factors. • Risk analytics. The computational power of the core system, the ability to analyze large amounts of data in a timely manner (e.g., real-time analytics) and the ability to improve analytical performance are all important factors. • Reporting and visualization. The ability to surface risk information in a timely manner. The quality and flexibility of visualization tools, and their ease of use, are important for all risk and compliance management systems.

Source: Chartis Research

Table 2: RiskTech100® assessment criteria (continued)

Strategy	<ul style="list-style-type: none"> • Vision and leadership. Market understanding, a scalable business model, product strategy, technology strategy and go-to-market strategy are critical success factors. Both organic and inorganic growth strategies are considered, as well as strategic alliances and partnerships. • Ability to execute. The size and quality of the sales force, the sales distribution channels, the global footprint, partnerships, differentiated messaging and positioning are all important factors. Specific consideration is given to the quality of implementation and support functions, post-sales support and training. • Financial performance. Revenue growth, profitability, sustainability, financial backing and the percentage of recurring revenues. The ratio of license to consulting revenues is key to business scalability.
Customer satisfaction	<ul style="list-style-type: none"> • Value for money. The price to functionality ratio, and the total cost of ownership versus license price. • After-sales service and support. Important factors include the ease of software implementation, the level of support and the quality of training. • Product updates. Important considerations for end users include how often vendors issue updates and how well they keep pace with best practice and regulatory changes.
Market presence	<ul style="list-style-type: none"> • Market penetration. The number of customers in chosen markets and the rate of growth relative to sector growth rate. • Market potential. Brand awareness, reputation, thought leadership and the vendor's ability to use its current market position to expand horizontally (with new offerings) or vertically (into new sectors). • Momentum. Performance in the past 12 months, including financial performance, new product releases, quantity and quality of contract wins and market expansion moves.
Innovation	<ul style="list-style-type: none"> • New product development. New ideas, functionality and technologies to improve risk management for target customers. Chartis assesses new product development not in absolute terms, but in relation to a vendor's closest competitors. • Exploitation. Developing new products is only the first step in generating success. Speed to market, positioning of new products and translation to incremental revenues are critical success factors. • New business models. Innovation is not limited to the product dimension. Some risk technology vendors are also actively working toward new business models for generating profitable growth.

Source: Chartis Research

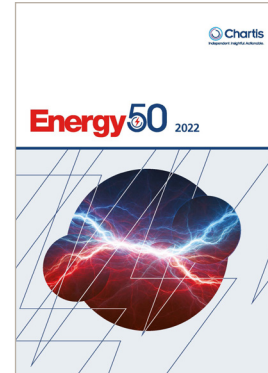
6. Further reading



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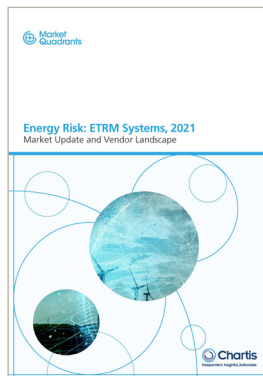
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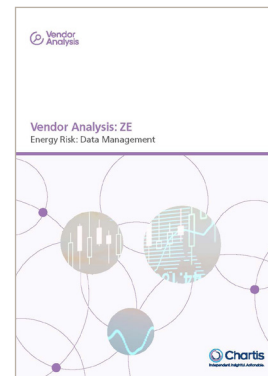
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